

**FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5**

**FORT BEND COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT**

**DECEMBER 31, 2015**



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**INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners  
Fort Bend County Emergency  
Services District No. 5  
Fort Bend County, Texas

We have audited the accompanying financial statements of the governmental activities and major fund of Fort Bend County Emergency Services District No. 5 (the "District"), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the District as of December 31, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information required by Fort Bend County and the other supplementary information are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide any assurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

McCall Gibson Swedlund Barfoot PLLC  
Certified Public Accountants  
Houston, Texas

April 12, 2016



**FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Management’s discussion and analysis of Fort Bend County Emergency Services District No. 5’s (the “District”) financial performance provides an overview of the District’s financial activities for the year ended December 31, 2015. Please read it in conjunction with the District’s financial statements.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The basic financial statements include: (1) fund financial statements and government-wide financial statements and (2) notes to the financial statements. The fund financial statements and government-wide financial statements combine both: (1) the Statement of Net Position and Governmental Funds Balance Sheet and (2) the Statement of Activities and Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance. This report also includes other supplementary information in addition to the basic financial statements.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The District’s annual report includes two financial statements combining the government-wide financial statements and the fund financial statements. The government-wide financial statements provides both long-term and short-term information about the District’s overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of the government-wide financial statements is the Statement of Net Position. The Statement of Net Position is the District-wide statement of its financial position presenting information that includes all of the District’s assets, liabilities, and deferred inflows and outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors.

The government-wide Statement of Activities reports how the District’s net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

**FUND FINANCIAL STATEMENTS**

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has one governmental fund type. The General Fund accounts for resources not accounted for in another fund, property tax revenues, costs and general expenditures.

**FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**FUND FINANCIAL STATEMENTS (Continued)**

Governmental funds are reported in each of the financial statements. The focus in the fund statements provides a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of the District and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. The adjustments columns, the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

**NOTES TO THE FINANCIAL STATEMENTS**

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

**OTHER INFORMATION**

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information ("RSI"). The budgetary comparison schedule is included as RSI for the General Fund.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets exceeded liabilities and deferred inflows of resources by \$395,195 as of December 31, 2015.

A portion of the District's net position reflects its net investment in capital assets (capital assets less any debt used to acquire those assets that are still outstanding). The District uses these assets to provide firefighting services. The following is a comparative analysis of government-wide change in net position:

**FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

	<u>Summary of Changes in the Statement of Net Position</u>		
	<u>2015</u>	<u>2014</u>	<u>Change Positive (Negative)</u>
Current and Other Assets	\$ 2,566,628	\$ 4,179,196	\$ (1,612,568)
Capital Assets (Net of Accumulated Depreciation)	2,205,888	131,009	2,074,879
Total Assets	<u>\$ 4,772,516</u>	<u>\$ 4,310,205</u>	<u>\$ 462,311</u>
Long-Term Liabilities	\$ 2,247,107	\$ 2,369,875	\$ 122,768
Other Liabilities	405,015	307,012	(98,003)
Total Liabilities	<u>\$ 2,652,122</u>	<u>\$ 2,676,887</u>	<u>\$ 24,765</u>
Deferred Inflows of Resources	<u>\$ 1,725,199</u>	<u>\$ 1,680,107</u>	<u>\$ (45,092)</u>
Net Position:			
Net Investment in Capital Assets	\$ (163,921)	\$ (2,369,361)	\$ 2,205,440
Unrestricted	559,116	2,322,572	(1,763,456)
Total Net Position	<u>\$ 395,195</u>	<u>\$ (46,789)</u>	<u>\$ 441,984</u>

The following table provides a summary of the District's operations for the year ended December 31, 2015 and December 31, 2014. The District's net position increased by \$441,984 during the current fiscal year. Comparative data is presented below.

	<u>Summary of Changes in the Statement of Activities</u>		
	<u>2015</u>	<u>2014</u>	<u>Change Positive (Negative)</u>
Revenues:			
Property Taxes	\$ 1,699,415	\$ 1,689,296	\$ 10,119
Other Revenues	340,269	19,147	321,122
Total Revenues	<u>\$ 2,039,684</u>	<u>\$ 1,708,443</u>	<u>\$ 331,241</u>
Expenses for Services	(1,597,700)	(1,839,085)	241,385
Change in Net Position	<u>\$ 441,984</u>	<u>\$ (130,642)</u>	<u>\$ 572,626</u>
Net Position, Beginning of Year	(46,789)	83,853	(130,642)
Net Position, End of Year	<u>\$ 395,195</u>	<u>\$ (46,789)</u>	<u>\$ 441,984</u>

**FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS**

The District's General Fund fund balance as of December 31, 2015, was \$573,680, a decrease of \$1,760,527 from the prior year. This decrease was primarily due to construction costs of a new fire station.

**BUDGETARY HIGHLIGHTS**

The Board of Commissioners did not amend the budget during the current fiscal year. Actual revenues were \$182,729 more than budgeted revenues. Actual expenditures were \$2,163,657 more than budgeted. See the budget to actual comparison.

**CAPITAL ASSETS**

Capital assets as of December 31, 2015, total \$2,205,888 (net of accumulated depreciation) and include building and improvements. Capital asset purchases during the year include completion of Fire Station No. 2.

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2015	2014	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Construction in Progress	\$	\$ 131,009	\$ (131,009)
Capital Assets, Net of Accumulated Depreciation:			
Buildings and Improvements	2,205,888		2,205,888
Total Net Capital Assets	\$ 2,205,888	\$ 131,009	\$ 2,074,879

Additional information on the District's capital assets can be found in Note 5 of this report.

**LONG-TERM DEBT ACTIVITY**

At the end of the current fiscal year, the District had debt payable of \$2,369,809. The changes in the debt position of the District during the current year ended December 31, 2015, are summarized as follows:

Long-Term Debt Payable, January 1, 2015	\$ 2,500,370
Less: Bond Principal Paid	130,561
Long-Term Debt Payable, December 31, 2015	\$ 2,369,809

**CONTACTING THE DISTRICT'S MANAGEMENT**

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Fort Bend County Emergency Services District No. 5, c/o Smith, Murdaugh, Little & Bonham, L.L.P., 2727 Allen Parkway, Suite 1100, Houston, Texas 77019.

**FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5**  
**STATEMENT OF NET POSITION AND**  
**GOVERNMENTAL FUNDS BALANCE SHEET**  
**DECEMBER 31, 2015**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>ASSETS</b>			
Cash	\$ 873,191	\$	\$ 873,191
Cash with Fort Bend County	581,530		581,530
Receivables:			
Property Taxes	778,321		778,321
Penalty and Interest on Delinquent Taxes		11,266	11,266
Due from Other Governmental Units	322,320		322,320
Capital Assets (Net of Accumulated Depreciation)		<u>2,205,888</u>	<u>2,205,888</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,555,362</u>	<u>\$ 2,217,154</u>	<u>\$ 4,772,516</u>

The accompanying notes to the financial  
statements are an integral part of this report.

**FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5**  
**STATEMENT OF NET POSITION AND**  
**GOVERNMENTAL FUNDS BALANCE SHEET**  
**DECEMBER 31, 2015**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 229,819	\$	\$ 229,819
Accrued Interest Payable		52,494	52,494
Long-Term Liabilities:			
Due Within One Year		122,702	122,702
Due After One Year		<u>2,247,107</u>	<u>2,247,107</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 229,819</u>	<u>\$ 2,422,303</u>	<u>\$ 2,652,122</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	<u>\$ 1,751,863</u>	<u>\$ (26,664)</u>	<u>\$ 1,725,199</u>
<b>FUND BALANCE</b>			
Restricted for Debt Service	\$ 13,873	\$ (13,873)	
Assigned to 2016 Budget	323,094	(323,094)	
Unassigned	<u>236,713</u>	<u>(236,713)</u>	
<b>TOTAL FUND BALANCE</b>	<u>\$ 573,680</u>	<u>\$ (573,680)</u>	<u>\$ - 0 -</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<u>\$ 2,555,362</u>		
<b>NET POSITION</b>			
Net Investment in Capital Assets		\$ (163,921)	\$ (163,921)
Unrestricted		<u>559,116</u>	<u>559,116</u>
<b>TOTAL NET POSITION</b>		<u>\$ 395,195</u>	<u>\$ 395,195</u>

The accompanying notes to the financial statements are an integral part of this report.

**FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2015**

Total Fund Balance - Governmental Fund	\$	573,680
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		2,205,888
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Deferred tax revenues and uncollected penalty and interest revenues on delinquent taxes for the 2014 and prior tax levies became part of recognized revenue in the governmental activities of the District.		37,930
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Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year end consist of:

Accrued Interest Payable	\$ (52,494)	
Notes Payable Within One Year	(122,702)	
Notes Payable After One Year	<u>(2,247,107)</u>	<u>(2,422,303)</u>

Total Net Position - Governmental Activities	\$	<u><u>395,195</u></u>
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The accompanying notes to the financial statements are an integral part of this report.

**FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5**  
**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	General Fund	Adjustments	Statement of Activities
<b>REVENUES</b>			
Property Taxes	\$ 1,695,274	\$ 4,141	\$ 1,699,415
Penalty and Interest	12,727	2,662	15,389
Contributions		322,320	322,320
Investment Revenues	2,560		2,560
<b>TOTAL REVENUES</b>	<b>\$ 1,710,561</b>	<b>\$ 329,123</b>	<b>\$ 2,039,684</b>
<b>EXPENDITURES/EXPENSES</b>			
Service Operations:			
District Services - Northeast Fort Bend County			
Fire Department			
Monthly Fees	\$ 1,372,833	\$	\$ 1,372,833
Capital Costs	61,196		61,196
Accounting and Auditing	17,800		17,800
Appraisal District Fees	11,182		11,182
Commissioner Fees	4,500		4,500
Legal Fees - General	17,683		17,683
Legal Fees - Delinquent Tax Collections	3,523		3,523
Tax Assessor Collector Fees	4,440		4,440
Other	12,337		12,337
Capital Outlay	2,074,879	(2,074,879)	
Debt Service:			
Principal	130,561	(130,561)	
Interest	82,474	9,732	92,206
<b>TOTAL EXPENDITURES/EXPENSES</b>	<b>\$ 3,793,408</b>	<b>\$ (2,195,708)</b>	<b>\$ 1,597,700</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES</b>	<b>\$ (2,082,847)</b>	<b>\$ 2,524,831</b>	<b>\$ 441,984</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Contribution from Fort Bend County	\$ 322,320	\$ (322,320)	\$ -0-
<b>NET CHANGE IN FUND BALANCE</b>	\$ (1,760,527)	\$ 1,760,527	\$
<b>CHANGE IN NET POSITION</b>		441,984	441,984
<b>FUND BALANCE/NET POSITION - JANUARY 1, 2015</b>	2,334,207	(2,380,996)	(46,789)
<b>FUND BALANCE/NET POSITION - DECEMBER 31, 2015</b>	<b>\$ 573,680</b>	<b>\$ (178,485)</b>	<b>\$ 395,195</b>

The accompanying notes to the financial  
statements are an integral part of this report.

**FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Net Change in Fund Balance - Governmental Fund \$ (1,760,527)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied. 4,141

Governmental funds report delinquent tax penalty and interest revenue on property taxes when collected. However, in the Statement of Activities, revenue is recorded when the penalty and interest are assessed. 2,662

Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected. 2,074,879

Governmental funds report principal payments on long-term liabilities as expenditures in the year paid. However, in the government-wide financial statements, liabilities are reduced when principal payments are made and the Statement of Activities is not affected. 130,561

Governmental funds report interest payments on long-term liabilities as expenditures in the year paid. However, in the government-wide financial statements, interest is accrued on long-term liabilities through the fiscal year-end. (9,732)

Change in Net Position - Governmental Activities \$ 441,984

The accompanying notes to the financial statements are an integral part of this report.

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**FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 1. CREATION OF DISTRICT**

Fort Bend County Emergency Services District No. 5 was created by the Commissioners' Court of the County of Fort Bend on May 12, 2007, in accordance with Article III, Section 48-e, of the Texas Constitution. The District operates under Chapter 775 of the Health and Safety Code. The District was established to provide operating funds for the contracting of fire prevention and rescue services within the boundaries of the District.

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board ("GASB").

The District is a political subdivision of the State of Texas governed by an appointed board. GASB has established the criteria for determining whether or not an entity is a primary government or a component unit of a primary government. The primary criteria are that it has a separately appointed governing body, it is legally separate, and it is fiscally independent of other state and local governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District's financial statement as component units.

Financial Statement Presentation

These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting.

GASB Codification sets forth standards for external financial reporting for all state and local government entities, which include a requirement for a Statement of Net Position and a Statement of Activities. It requires the classification of net position into three components: Net Investment in Capital Assets; Restricted; and Unrestricted. These classifications are defined as follows:

- Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- Restricted Net Position – This component of net position consists of external constraints placed on the use of assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

**FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Financial Statement Presentation (Continued)

- Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

When both restricted and unrestricted resources are available for use, generally it is the District's policy to use restricted resources first.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. The District's Statement of Net Position and Statement of Activities are combined with the governmental fund financial statements. The District is viewed as a special-purpose government and has the option of combining these financial statements.

The Statement of Net Position is reported by adjusting the governmental fund types to report on the full accrual basis, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Any amounts recorded due to and due from other funds are eliminated in the Statement of Net Position.

The Statement of Activities is reported by adjusting the governmental fund types to report only items related to current year revenues and expenditures. Items such as capital outlay are allocated over their estimated useful lives as depreciation expense. Internal activities between governmental funds, if any, are eliminated by adjustment to obtain net total revenue and expense in the government-wide Statement of Activities.

Fund Financial Statements

As discussed above, the District's fund financial statements are combined with the government-wide financial statements. The fund statements include a Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance.

Governmental Funds

The District has one governmental fund which is considered to be a major fund.

General Fund - To account for resources not required to be accounted for in another fund, property tax revenues, costs and general expenditures.

**FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Basis of Accounting

The District uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both “measurable and available.” Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. The District considers revenue reported in governmental funds to be available if they are collectable within 60 days after year end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures when payment is due.

Property taxes considered available by the District and included in revenue include 2014 tax levy collections during the period October 1, 2014, to December 31, 2015, and taxes collected from January 1, 2015, to December 31, 2015, for the 2013 and prior tax levies. The 2015 tax levy has been fully deferred to meet the District’s planned expenditures in the 2016 fiscal year.

Capital Assets

Capital assets, if any, are reported in the government-wide Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenditures in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset after completion.

Budgeting

In compliance with governmental accounting principles, the Board of Commissioners annually adopts an unappropriated budget for the General Fund. The budget was not amended during the current fiscal year.

Pensions

The District has not established a pension plan as the District does not have employees. The Internal Revenue Service determined that fees of office received by Commissioners are considered to be wages subject to federal income tax withholding for payroll purposes only.

**FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities associated with the activities are reported. Fund equity is classified as net position.

Governmental fund types are accounted for on a spending or financial flow measurement focus. Accordingly, only current assets and current liabilities are included on the Balance Sheet, and the reported fund balances provide an indication of available spendable or appropriable resources. Operating statements of governmental fund types report increases and decreases in available spendable resources. Fund balances in governmental funds are classified using the following hierarchy:

*Nonspendable:* amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The District does not have any nonspendable fund balances.

*Restricted:* amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally. During a prior year, the District received loan proceeds for the purchase of a fire truck, which was received during the current year at a cost lower than note proceeds for this purchase. The excess funds will be held for payment on this note. As of December 31, 2015, \$13,873 is reported as restricted.

*Committed:* amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The District does not have any committed fund balances.

*Assigned:* amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balances and does not have any assigned fund balances. As of December 31, 2015, the District assigned \$323,094 of the current fund balance to cover a portion of the 2016 budget.

*Unassigned:* all other spendable amounts in the General Fund.

When expenditures are incurred for which restricted, committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds.

**FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**NOTE 3. TAX LEVY**

Voters of the District have approved a maximum tax rate of \$0.10 per \$100 of assessed valuation. During the year ended December 31, 2015, the District levied an ad valorem tax at the rate of \$0.071348 per \$100 of assessed valuation for the 2015 tax year. This resulted in a tax levy of \$1,725,199 on the adjusted taxable valuation of \$2,417,358,986 for the 2015 tax year. The 2015 levy has been fully deferred to meet the operating expenditures for the 2016 fiscal year.

The District's tax calendar is as follows:

- Levy Date - Before the later of September 30<sup>th</sup> or the 60<sup>th</sup> day after the receipt of the certified tax roll.
- Lien Date - January 1.
- Due Date - Not later than January 31.
- Delinquent Date - February 1, at which time the taxpayer is liable for penalty and interest.

**NOTE 4. DEPOSITS AND INVESTMENTS**

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes.

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District's deposits was \$873,191 and the bank balance was \$874,815. Of

**FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 4. DEPOSITS AND INVESTMENTS (Continued)**

Deposits (Continued)

the bank balance, \$327,687 was covered by federal depository insurance and the balance was covered by a pledge of securities held in safekeeping by a third party institution in the District's name.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at December 31, 2015, as listed below:

	Cash
TOTAL DEPOSITS	\$ 873,191

Investments

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all District funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the District's financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield, sixth. The District's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." No person may invest District funds without express written authority from the Board of Commissioners.

Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. Authorized investments are summarized as follows: (1) obligations of the United States or its agencies and instrumentalities, (2) direct obligations of the State of Texas or its agencies and instrumentalities, (3) certain collateralized mortgage obligations, (4) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, (5) certain A rated or higher obligations of states, agencies, counties, cities, and other political subdivisions of any state, (6) bonds issued, assumed or guaranteed by the State of Israel, (7) insured or collateralized certificates of deposit, (8) certain fully collateralized repurchase agreements secured by delivery, (9) certain bankers' acceptances with limitations, (10) commercial paper rated A-1 or P-1 or higher and a maturity of 270 days or less, (11) no-load money market mutual funds and no-load mutual funds with limitations, (12) certain guaranteed investment contracts, (13) certain qualified governmental investment pools and (14) a qualified securities lending program.

**FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 4. DEPOSITS AND INVESTMENTS (Continued)**

Investments (Continued)

As of December 31, 2015, the District did not have any investments.

**NOTE 5. CAPITAL ASSETS**

	January 1, 2015	Increases	Decreases	December 31, 2015
<b>Capital Assets Not Being Depreciated</b>				
Construction in Progress	\$ 131,009	\$ 2,074,879	\$ 2,205,888	\$ - 0 -
<b>Capital Assets Subject to Depreciation</b>				
Buildings and Improvements	\$ - 0 -	\$ 2,205,888	\$ - 0 -	\$ 2,205,888
<b>Less Accumulated Depreciation</b>				
Buildings and Improvements	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -
<b>Total Depreciable Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ - 0 -</u>	<u>\$ 2,205,888</u>	<u>\$ - 0 -</u>	<u>\$ 2,205,888</u>
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	<u>\$ 131,009</u>	<u>\$ 4,280,767</u>	<u>\$ 2,205,888</u>	<u>\$ 2,205,888</u>

**NOTE 6. CONTRACT FOR FIRE PROTECTION AND RESCUE SERVICES**

On January 13, 2009, the District executed a contract for providing fire protection and rescue services with the Northeast Fort Bend County Fire Department, Inc. (the "Department"). The term of the original contract was from January 1, 2009, to December 31, 2009, renewable from year to year by amendment. On July 9, 2013, the contract was revised extending the term to 20 years. Under the terms of the contract, the Department agrees to provide fire protection and rescue services to all the residents and commercial interests in the service area.

The Department agreed to submit a budget indicating proposed operating, capital and debt expenditures at the District's September meeting each year for the District's review and approval. The District agreed to provide periodic payments to the Department based on the approved budgets. Ownership of all assets of the Department shall remain with the Department during the term of this contract. Responsibility for operating, maintaining, repairing and insuring any facilities by which fire protection and rescue services are provided belongs solely to the Department.

For the year ended December 31, 2015, the District paid the Department \$1,372,833 for operations and maintenance costs and \$61,196 for capital costs.

**FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 7. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; and error and omissions for which the District carries commercial insurance. The District has not significantly reduced insurance coverage or had settlements which exceeded coverage in the past three years.

**NOTE 8. OPERATING LEASE**

Effective October 1, 2011, and as amended on January 7, 2014, the District entered into a ground lease agreement with Fort Bend County for 2.289 acres of land. The District will be allowed to construct, operate and maintain a fire station on the premises. The lease term is 99 years at a cost of \$1 per year.

**NOTE 9. NOTES PAYABLE**

On June 11, 2013, the District entered into a \$1,500,000 construction loan agreement with Government Capital Corporation to fund the construction of a fire station. Annual installments of \$108,207.43 are due each June 1, beginning June 1, 2014, and ending June 1, 2033. The interest rate is 3.806%.

On November 11, 2014, the District entered into a \$600,000 construction loan agreement with Government Capital Corporation to fund additional costs of the fire station. Annual installments of \$46,277.30 are due each June 1, beginning June 1, 2015, and ending June 1, 2033. The interest rate is 4.393%.

Total funding available for construction of a fire station is \$2,100,000. As of December 31, 2015, the District has used all available loan proceeds for the fire station construction. The project was substantially complete at year end.

On June 11, 2013, the District entered into a \$500,000 promissory note with Government Capital Corporation to fund the acquisition of a pumper truck. Annual installments of \$58,484.22 are due each June 1, beginning June 1, 2014, and ending June 1, 2023. The interest rate is 2.996%. Note proceeds in excess of the cost will be held for the payment of this note.

The following is a summary of transactions regarding notes payable for the year ended December 31, 2015:

**FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 9. NOTES PAYABLE (Continued)**

	January 1, 2015	Additions	Retirements	December 31, 2015
Notes Payable	<u>\$ 2,500,370</u>	<u>\$ - 0 -</u>	<u>\$ 130,561</u>	<u>\$ 2,369,809</u>
		Amount Due Within One Year		\$ 122,702
		Amount Due After One Year		<u>2,247,107</u>
		Notes Payable		<u>\$ 2,369,809</u>

As of December 31, 2015, the debt service requirements on the notes payable were as follows:

Fiscal Year	Principal	Interest	Total
2016	\$ 122,702	\$ 90,200	\$ 212,902
2017	127,193	85,777	212,970
2018	131,779	81,191	212,970
2019	136,533	76,436	212,969
2020	141,463	71,505	212,968
2021-2025	669,152	278,725	947,877
2026-2030	612,120	160,304	772,424
2031-2033	<u>428,867</u>	<u>34,587</u>	<u>463,454</u>
	<u>\$ 2,369,809</u>	<u>\$ 878,725</u>	<u>\$ 3,248,534</u>

The assets acquired with these notes, will be operated, maintained and insured by the Department.

**NOTE 10. CONTRIBUTION**

On April 14, 2015, the District entered into an agreement with Fort Bend County (“County”) for construction of a fire station for mutual benefit of each party. The District is solely responsible for the construction of the station and will provide space for the County’s medical service division personnel and vehicles to be stationed at the fire station. The station will be operated and maintained by the District. The County agrees to provide funding to the District for 15% of the estimated \$2,500,000 design and build costs up to, but not to exceed, \$375,000. The agreement will terminate on September 30, 2016, or upon completion of the project. A receivable has been recorded from the County in the amount of \$322,320, for its share of construction.

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**FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5**

**REQUIRED SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2015**



**FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 1,526,832	\$ 1,695,274	\$ 168,442
Penalty and Interest		12,727	12,727
Investment Revenues	1,000	2,560	1,560
<b>TOTAL REVENUES</b>	<b>\$ 1,527,832</b>	<b>\$ 1,710,561</b>	<b>\$ 182,729</b>
<b>EXPENDITURES</b>			
Service Operations:			
District Services - Northeast Fort Bend County			
Fire Department	\$ 1,270,000	\$ 1,434,029	\$ (164,029)
Accounting and Auditing	17,600	17,800	(200)
Appraisal District Fees		11,182	(11,182)
Commissioner Fees	7,000	4,500	2,500
Legal Fees - General	14,000	17,683	(3,683)
Legal Fees - Delinquent Tax Collections		3,523	(3,523)
Tax Assessor Collector Fees		4,440	(4,440)
Other	28,115	12,337	15,778
Capital Outlay	80,000	2,074,879	(1,994,879)
Debt Service:			
Principal	130,495	130,561	(66)
Interest	82,541	82,474	67
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,629,751</b>	<b>\$ 3,793,408</b>	<b>\$ (2,163,657)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (101,919)</b>	<b>\$ (2,082,847)</b>	<b>\$ (1,980,928)</b>
<b>OTHER FINANCING SOURCES(USES)</b>			
Contribution from Fort Bend County	\$ -0-	\$ 322,320	\$ 322,320
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (101,919)</b>	<b>\$ (1,760,527)</b>	<b>\$ (1,658,608)</b>
<b>FUND BALANCE - JANUARY 1, 2015</b>	<b>2,334,207</b>	<b>2,334,207</b>	
<b>FUND BALANCE - DECEMBER 31, 2015</b>	<b>\$ 2,232,288</b>	<b>\$ 573,680</b>	<b>\$ (1,658,608)</b>

See accompanying independent auditor's report.

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**FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5**

**SUPPLEMENTARY INFORMATION**

**REQUIRED BY FORT BEND COUNTY**

**DECEMBER 31, 2015**



**FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5**  
**COMPUTATION OF NET LONG-TERM DEBT PER CAPITA**  
**DECEMBER 31, 2015**  
**(UNAUDITED)**

Long-Term Debt at December 31, 2015	\$ 2,369,809
Less: Amount in Debt Service Fund	<u>                    </u>
Net Long-Term Debt at December 31, 2015	<u>\$ 2,369,809</u>
Estimated District Population*	<u>46,911</u>
Net Long-Term Debt Per Capita at December 31, 2015	<u>\$ 50.52</u>

\* 2010 Census

See accompanying independent auditor's report.

**FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5**  
**LISTING OF THE NUMBER OF EMERGENCY**  
**RESPONSES MADE WITHIN AND OUTSIDE THE DISTRICT -**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**  
**(UNAUDITED)**

Number of Emergency Responses made Within the District	2,173
Number of Emergency Responses made Outside of the District	<u>-0-</u>
Total Emergency Responses	<u><u>2,173</u></u>

See accompanying independent auditor's report.

**FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5**  
**SCHEDULE OF INSURANCE AND BONDING COVERAGE**  
**DECEMBER 31, 2015**

Type of Coverage	From To	Amount of Coverage	Insurer/Name
<b>FIDELITY BONDS</b>			
Treasurer's Bond	12/15/15 12/15/16	\$ 100,000	Hartford Casualty Insurance Company
Position Schedule Bond	12/15/15		Merchants Bonding Company
Per Commissioner	12/15/16	10,000	
Aggregate		50,000	
Public Employee Blanket	12/15/15		Hartford Fire Insurance Company
Crime Bond	12/15/16	10,000	
<b>COMMERCIAL GENERAL LIABILITY</b>	12/15/15 12/15/16	\$ 3,000,000	Mid-Continent Casualty Company
General Aggregate		1,000,000	
Each Occurrence		1,000,000	
Personal/Advertising Injury		3,000,000	
Product Liability		100,000	
Fire Legal Liability		1,000,000	
Hired Car and Non-Ownership Auto Liability		1,000,000	
<b>DIRECTORS AND OFFICERS LIABILITY</b>	12/15/15 12/15/16	\$ 1,000,000	Mid-Continent Casualty Company
Per Claim			
<b>PROPERTY</b>	12/15/15 12/15/16	\$ 2,000,000	Travelers Property Casualty
Special Deluxe Property Form Coverage		1,000,000	
Real/Personal Property		100,000	
Flood and Quake			
Extra Expense			
<b>COMPREHENSIVE BOILER &amp; MACHINERY</b>	12/15/15 12/15/16	\$ 2,000,000	Travelers Property Casualty
General Aggregate		100,000	
Extra Expense			

See accompanying independent auditor's report.

**FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5**  
**STATEMENT OF ACTIVITIES -**  
**NORTHEAST FORT BEND COUNTY FIRE DEPARTMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**  
**(UNAUDITED)**

REVENUES

Fort Bend County Emergency Services District No. 5	\$ 1,436,244
Miscellaneous	<u>15,212</u>
<b>TOTAL REVENUES</b>	<b><u>\$ 1,451,456</u></b>

EXPENSES

Communications Equipment	\$ 3,781
Dues and Subscriptions	1,843
Education and Training	136,171
EMS Supplies	16,211
Fire Equipment	69,654
Fuel	13,273
Insurance	91,901
Interest	2,161
Legal and Professional Fees	1,250
Late Fees	202
Miscellaneous	3,069
Payroll Expense	829,380
Rescue Equipment	12,989
Service Fees	2,052
Station 1 Costs	86,933
Truck Maintenance	45,730
Utilities	<u>28,823</u>
<b>TOTAL EXPENSES</b>	<b><u>\$ 1,345,423</u></b>

CHANGE IN NET POSITION	\$ 106,033
NET ASSETS - January 1, 2015	<u>1,248,205</u>
NET ASSETS - December 31, 2015	<b><u>\$ 1,354,238</u></b>

See accompanying independent auditor's report.

**FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5**

**OTHER SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2015**



**FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5**  
**TAXES LEVIED AND RECEIVABLE**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	Maintenance Taxes	
TAXES RECEIVABLE - JANUARY 1, 2015	\$ 796,696	
Adjustments to Beginning Balance	19,309	\$ 816,005
Original 2015 Tax Levy	\$ 1,674,755	
Adjustment to 2015 Tax Levy	50,444	1,725,199
TOTAL TO BE ACCOUNTED FOR		\$ 2,541,204
TAX COLLECTIONS:		
Prior Years	\$ 789,341	
Current Year	973,542	1,762,883
TAXES RECEIVABLE - DECEMBER 31, 2015		\$ 778,321
TAXES RECEIVABLE BY YEAR:		
2015		\$ 751,657
2014		9,924
2013		5,432
2012		4,323
2011		2,541
2010		2,158
2009		1,272
2008		1,014
TOTAL		\$ 778,321

See accompanying independent auditor's reports.

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**FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5  
TAXES LEVIED AND RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
TOTAL PROPERTY VALUATIONS	<u>\$ 2,417,358,986</u>	<u>\$ 2,124,915,085</u>	<u>\$ 2,027,942,748</u>	<u>\$ 1,961,144,610</u>
TOTAL TAX RATE PER \$100 VALUATION	<u>\$ 0.071348</u>	<u>\$ 0.079044</u>	<u>\$ 0.083411</u>	<u>\$ 0.085534</u>
ADJUSTED TAX LEVY*	<u>\$ 1,725,199</u>	<u>\$ 1,680,107</u>	<u>\$ 1,691,671</u>	<u>\$ 1,677,550</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>56.43 %</u>	<u>99.41 %</u>	<u>99.68 %</u>	<u>99.74 %</u>

\* Based upon the adjusted tax levy at the time of the audit for the fiscal year in which the tax was levied.

See accompanying independent auditor's reports.

**FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES**  
**GENERAL FUND – FIVE YEARS**

	Amounts		
	2015	2014	2013
<b>REVENUES</b>			
Property Taxes	\$ 1,695,274	\$ 1,687,134	\$ 1,671,784
Penalty and Interest	12,727	15,706	15,454
Investment Revenues	2,560	1,932	1,084
<b>TOTAL REVENUES</b>	<b>\$ 1,710,561</b>	<b>\$ 1,704,772</b>	<b>\$ 1,688,322</b>
<b>EXPENDITURES</b>			
Service Operations:			
District Services - Northeast Fort Bend County			
Fire Department	\$ 1,434,029	\$ 1,691,912	\$ 1,660,484
Accounting and Auditing	17,800	16,275	16,450
Appraisal District Fees	11,182	11,648	9,752
Commissioner Fees	4,500	7,400	6,450
Legal Fees - General	17,683	18,272	12,786
Legal Fees - Delinquent Tax Collections	3,523	4,229	3,959
Tax Assessor Collector Fees	4,440	5,640	5,571
Other	12,337	10,519	7,560
Capital Outlay	2,074,879	117,180	13,829
Debt Service:			
Principal	130,561	99,630	
Interest	82,474	67,062	
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,793,408</b>	<b>\$ 2,049,767</b>	<b>\$ 1,736,841</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (2,082,847)</b>	<b>\$ (344,995)</b>	<b>\$ (48,519)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Contribution from Fort Bend County	\$ 322,320	\$ - 0 -	\$ - 0 -
Note Proceeds		600,000	2,000,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 322,320</b>	<b>\$ 600,000</b>	<b>\$ 2,000,000</b>
<b>NET CHANGE IN FUND BALANCE</b>	\$ (1,760,527)	\$ 255,005	\$ 1,951,481
<b>BEGINNING FUND BALANCE</b>	2,334,207	2,079,202	127,721
<b>ENDING FUND BALANCE</b>	<b>\$ 573,680</b>	<b>\$ 2,334,207</b>	<b>\$ 2,079,202</b>

See accompanying independent auditor's reports.

		Percentage of Total Revenues				
2012	2011	2015	2014	2013	2012	2011
\$ 1,511,310	\$ 1,493,330	99.1 %	99.0 %	99.0 %	99.0 %	98.6 %
15,060	20,464	0.8	0.9	0.9	1.0	1.4
718	655	0.1	0.1	0.1		
<u>\$ 1,527,088</u>	<u>\$ 1,514,449</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 1,515,188	\$ 1,536,343	83.8 %	99.3 %	98.4 %	99.2 %	101.4
16,300	16,500	1.0	1.0	1.0	1.1	1.1
9,052	8,529	0.7	0.7	0.6	0.6	0.5
6,500	7,150	0.3	0.4	0.4	0.4	0.5
12,344	10,836	1.0	1.1	0.8	0.8	0.7
3,910	5,565	0.2	0.2	0.2	0.2	0.4
5,584	5,536	0.3	0.3	0.3	0.4	0.4
7,184	7,020	0.7	0.6	0.4	0.5	0.5
		121.3	6.9	0.8		
		7.6	5.8			
		<u>4.8</u>	<u>3.9</u>			
<u>\$ 1,576,062</u>	<u>\$ 1,597,479</u>	<u>221.7 %</u>	<u>120.2 %</u>	<u>102.9 %</u>	<u>103.2 %</u>	<u>105.5 %</u>
\$ (48,974)	\$ (83,030)	<u>(121.7) %</u>	<u>(20.2) %</u>	<u>(2.9) %</u>	<u>(3.2) %</u>	<u>(5.5) %</u>
\$ - 0 -	\$ - 0 -					
\$ - 0 -	\$ - 0 -					
\$ (48,974)	\$ (83,030)					
176,695	259,725					
<u>\$ 127,721</u>	<u>\$ 176,695</u>					

See accompanying independent auditor's reports.

**FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5**  
**BOARD OF COMMISSIONERS AND CONSULTANTS**  
**DECEMBER 31, 2015**

District Mailing Address - Fort Bend County Emergency Services District No. 5  
c/o Smith, Murdaugh, Little & Bonham LLP  
2727 Allen Parkway, Suite 1100  
Houston, Texas 77019

District Telephone Number - (713) 652-6500

<u>Commissioners</u>	Term of Office (Elected or Appointed)	Fees of Office for the year ended December 31, 2015	Expense Reimbursement for the year ended December 31, 2015	<u>Title</u>
Ernie Carter	01/01/14 12/31/15 (Appointed)	\$ 2,200	\$ -0-	President
John Mukoro	01/01/15 12/31/16 (Appointed)	\$ 450	\$ -0-	Secretary/ Assistant Treasurer
John Godbee	01/01/15 12/31/16 (Appointed)	\$ 750	\$ 560	Treasurer/ Investment Officer
Cynthia N. Ginyard	01/01/14 12/31/15 (Appointed)	\$ 550	\$ -0-	Commissioner
Ben Bono	01/01/15 12/31/16 (Appointed)	\$ 600	\$ 1,492	Commissioner

The limit of fees of office that a Commissioner may receive during a year is \$3,000 as set by the Health and Safety Code-Chapter 775. Fees of office and expense reimbursements are the amounts actually paid to a Commissioner during the District's current fiscal year.

See accompanying independent auditor's report.

**FORT BEND COUNTY EMERGENCY SERVICES DISTRICT NO. 5**  
**BOARD OF COMMISSIONERS AND CONSULTANTS**  
**DECEMBER 31, 2015**

<b>Consultants:</b>	<u>Date Hired</u>	<u>Fees for the year ended December 31, 2015</u>	<u>Title</u>
Smith, Murdaugh, Little & Bonham, L.L.P.	03/11/08	\$ 17,683	Attorney
McCall Gibson Swedlund Barfoot PLLC	01/12/10	\$ 7,800	Auditor
Myrtle Cruz, Inc.	07/08/08	\$ 11,164	Bookkeeper
Linebarger Goggan Blair & Sampson, LLP	01/13/09	\$ 3,523	Delinquent Tax Attorney
Fort Bend County Tax Assessor/Collector	Legislative Action	\$ 4,440	Tax Assessor/ Collector

See accompanying independent auditor's report.

